

OVERVIEW OF OTHER LOCAL REVENUE SOURCES






House and Senate Finance,
Heather Fennell, Research Division

General Rate and Local Rates

- The general **State rate** of tax is 5.75%. The temporary 1% increase enacted last year is scheduled to expire July 1, 2011.
- Items that are subject to State sales tax are also subject to the local sales and use tax. The **local rate** of tax varies:

2% (82)	2.25% (18)		2.5% (1)
All other 82 counties	Alexander Catawba Cumberland Duplin Halifax* Haywood Hertford Lee Martin	New Hanover Onslow Pitt Randolph Robeson Rowan Sampson Surry Wilkes	Mecklenburg

Current Local Sales Taxes

1 st 1 cent Art. 39		Any lawful purpose	Point of collection
1 st ½ cent Art. 40		Counties - 30% school capital	Per capita
2 nd ½ cent Art. 41		Counties - 60% school capital	Per capita Point of collection
Third ½ cent Art.		Any lawful	½ Point of collection
Repealed			
¼ cent Art. 46		Any lawful purpose	Point of collection – <i>distributed to County only.</i>

Local Privilege License Taxes

- Counties (G.S. 153A-152)
 - ▣ No general taxing power.
 - ▣ Repealed Schedule B lists taxable activities.
- Cities (G.S. 160A-211)
 - ▣ General taxing power.
 - ▣ Repealed Scheduled B provides limits on activities cities may tax.
- Sometimes gross receipts, sometimes flat amount.

Local Occupancy Taxes

- Levied on operators of transient accommodations.
- The first occupancy tax legislation in North Carolina was enacted in 1983.
- In addition to the sales tax.
- Generally speaking, proceeds are used for tourism purposes.
- 79 counties; 91 municipalities.

Occupancy Tax - Guidelines

- Rate – Not to exceed 6%, including city and county combined.
- Use – 2/3 to promote travel and tourism, remainder for tourism-related expenditures.
- Administration – local tourism promotion agency.
- Cost of Collection – Not to exceed 3% of first \$500,000, 1% of remainder.

Local Meals Tax

- A 1% tax on the sales price of prepared food and beverage sold at retail within corporate limits.
- Proceeds typically dedicated for constructing and/or improving/maintaining convention/civic centers.
- 4 counties: Cumberland, Dare, Mecklenburg, Wake Durham.
- 3 cities: Charlotte, Hillsborough, Monroe

Other taxes

- Motor vehicle and heavy equipment rental gross receipts. - In lieu of property tax, up to 1.5% of gross receipts of rentals.
- Animal taxes. – Pets, usually dogs and cats.
- Vehicle taxes. – *Cities only.** \$5 for any purpose, additional \$5 for public transportation.*

State and Local Shared Revenue

- ❑ Beer and wine excise tax.
- ❑ Scrap tire disposal tax.
- ❑ White goods disposal tax.
- ❑ Electric franchise tax.
- ❑ Piped natural gas excise tax.
- ❑ Telecommunications tax.
- ❑ Video programming tax.

Department of Revenue Report

□ <http://www.dornrc.com/publications/reimbursement.html>

County/ Municipality	Beer and Wine Excise Tax [\$]	Scrap Tire Disposal Tax [\$]	Whitegoods Disposal Tax [\$]	Electric Franchise/ Natural Gas Excise Tax [\$]	Telecommunications Tax [\$]	Video Programming Distribution [\$]	Solid Waste Disposal Tax [\$]
Alamance County	78,741.39	158,359.84	43,218.32	-	-	194,574.97	46,953.30
Alamance	526.31	-	-	22,132.41	6,025.00	278.94	256.66
Burlington	72,637.93	-	-	2,012,698.36	1,305,077.00	426,186.49	35,079.32
Elon	10,383.00	-	-	190,013.33	83,186.00	75,940.41	5,062.30
Graham	21,201.34	-	-	428,574.53	314,876.00	120,434.95	10,270.96
Green Level	3,499.78	-	-	39,737.19	18,071.00	10,463.13	1,704.39
Haw River	2,911.04	-	-	71,002.87	52,909.00	14,285.60	1,420.85
Mebane	14,050.07	-	-	557,341.33	159,909.00	60,773.60	6,726.61
Ossipee	672.43	-	-	11,044.00	5,153.00	2,015.45	-
Sweepsonville	1,772.84	-	-	59,057.00	4,130.00	5,224.18	-
Alexander County	-	40,197.52	-	-	-	145,591.38	29,643.95
Taylorsville	2,755.54	-	-	88,153.67	80,372.00	38,903.10	1,347.72
Alleghany County	13,237.29	12,116.05	3,305.96	-	-	49,517.84	7,908.28
Sparta	2,558.71	-	-	218,550.40	33,195.00	9,972.46	1,245.39
Anson County	-	27,641.01	-	-	-	27,661.94	12,411.12